

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

MONTHLY FINANCIAL REPORTING FORM

Submitted on 1/30/2003 9:03:40 AM

		1
1.	FOR THE MONTH ENDING:	December 31, 2002
2.	Name:	Dental Health Services
3.	File Number:(Enter last three digits) 933-0	059
4.	Date Incorporated or Organized:	June 1, 1982
5.	Date Licensed as a HCSP:	n/a
6.	Date Federally Qualified as a HCSP:	n/a
7.	Date Commenced Operation:	June 1, 1982
8.	Mailing Address:	3833 Atlantic Avenue, Long Beach, CA 90807
9.	Address of Main Administrative Office:	3833 Atlantic Avenue, Long Beach, CA 90807
10.	Telephone Number:	(562) 595-6000
11.	HCSP's ID Number:	
12.	Principal Location of Books and Records:	3833 Atlantic Avenue, Long Beach, CA 90807
13.	Plan Contact Person and Phone Number:	Godfrey Pernell, DDS, (562) 595-6000
14.	Financial Reporting Contact Person and Phone Number:	Mehdi Moussavi, (562) 595-6000
15.	President:*	Godfrey Pernell, DDS
16.	Secretary:*	Gary Pernell
17.	Chief Financial Officer:*	Mehdi Moussavi
18.	Other Officers:*	Robert Tillery - Vice President of Health Services
19.		
20.		
21.		
22.	Directors:*	Godfrey Pernell, DDS
23.		Gary Pernell
24.		Wayne Pernell
25.		
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.




32. President	Godfrey Pernell, DDS
33. Secretary	Gary Pernell
34. Chief Financial Officer	Mehdi Moussavi
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. If this is a revised filing, check here:	<input type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here	<input type="checkbox"/>

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes 
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	Yes 
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No 

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	1,122,117
2. Short-Term Investments	663,729
3. Premiums Receivable - Net	322,125
4. Interest Receivable	22,751
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	132,432
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	866,240
11. TOTAL CURRENT ASSETS (Items 1 to 10)	3,129,394
OTHER ASSETS:	
12. Restricted Assets	450,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	8,153
18. TOTAL OTHER ASSETS (Items 12 to 18)	458,153
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	58,168
21. Computer Equipment - Net	36,686
22. Leasehold Improvements -Net	12,430
23. Construction in Progress	
24. Software Development Costs	103,170
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	210,454
27. TOTAL ASSETS	3,798,001
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Related parties	822,245
1002. Other receivables	995
1003. Deferred taxes	43,000
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	866,240
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Other assets	8,153
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	8,153
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	710,264	XXX	710,264
2. Capitation Payable	157,451	XXX	157,451
3. Claims Payable (Reported)			0
4. Incurred But Not Reported Claims	110,000		110,000
5. POS Claims Payable (Reported)		93,000	93,000
6. POS Incurred But Not Reported Claims		214,000	214,000
7. Other Medical Liability			0
8. Unearned Premiums	157,686	XXX	157,686
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	288,621	0	288,621
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	1,424,022	307,000	1,731,022
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	366,228	XXX	366,228
18. TOTAL OTHER LIABILITIES (Items 13 to 18)	366,228	XXX	366,228
19. TOTAL LIABILITIES	1,790,250	307,000	2,097,250
NET WORTH			
20. Common Stock	XXX	XXX	300
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	668,421
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	900,831
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	131,199
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	1,700,751
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	3,798,001
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Retirement plan payable	288,621		288,621
1102.			0
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	288,621	0	288,621
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Deferred taxes	366,228	XXX	366,228
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	366,228	XXX	366,228
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Unrealized gain/(loss) mkt securities	XXX	XXX	131,199
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	131,199

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	869,894	6,793,862
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service		
7. Point-Of-Service (POS)	251,353	1,880,348
8. Interest	8,784	73,786
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	0	2,336
11. TOTAL REVENUE (Items 1 to 10)	1,130,031	8,750,332
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	457,416	3,653,206
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated	220,506	1,481,452
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	126,739	1,045,132
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	804,661	6,179,790
Administration		
25. Compensation	107,950	836,597
26. Interest Expense		
27. Occupancy, Depreciation and Amortization	32,790	287,063
28. Management Fees		
29. Marketing	79,888	557,923
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	92,646	612,068
32. TOTAL ADMINISTRATION (Items 25 to 31)	313,274	2,293,651
33. TOTAL EXPENSES	1,117,935	8,473,441
34. INCOME (LOSS)	12,096	276,891
35. Extraordinary Item		
36. Provision for Taxes		50
37. NET INCOME (LOSS)	12,096	276,841
NET WORTH:		
38. Net Worth Beginning of Period	1,676,119	1,410,512
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	12,096	276,841
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	12,536	13,398
49. NET WORTH END OF PERIOD (Items 38 to 48)	1,700,751	1,700,751

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Other income	0	2,336
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	0	2,336
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Other medical expenses	126,739	1,045,132
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	126,739	1,045,132
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Other expenses	92,646	612,068
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	92,646	612,068
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. Unrealized gain/(loss) mkt securities	12,536	13,398
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	12,536	13,398

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	1,249,975	8,667,220
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues	-13,957	-330,924
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-830,534	-6,395,300
8. Administration Expenses	-302,851	-2,117,772
9. Federal Income Taxes Paid		102,728
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	102,633	-74,048
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments	100,005	42,591
17. Payments for Property, Plant and Equipment	-8,358	-55,196
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	91,647	-12,605
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	194,280	-86,653
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH	927,837	1,208,770
29. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	1,122,117	1,122,117
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	12,096	276,841
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	5,360	40,310
32. Decrease (Increase) in Receivables	75,270	16,988
33. Decrease (Increase) in Prepaid Expenses	-37,859	-36,075
34. Decrease (Increase) in Affiliate Receivables	-20,000	-340,800
35. Increase (Decrease) in Accounts Payable	-4,335	-239,783
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-22,000	-2,000
37. Increase (Decrease) in Unearned Premium	53,458	-23,978
38. Aggregate Write-Ins for Adjustments to Net Income	40,643	234,449
39. TOTAL ADJUSTMENTS (Items 31 through 38)	90,537	-350,889
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	102,633	-74,048
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Retirement plan payable	19,190	153,530
3802. Other receivables	-2,741	36,532
3803. Accrued wages	24,194	44,387
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	40,643	234,449

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	12,096	276,841
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization		
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables		
7. Prepaid Expenses		
8. Affiliate Receivables		
9. Aggregate write-ins for (increase) decrease in operating assets	0	0
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable		
11. Capitation Payable		
12. Claims Payable and IBNR		
13. Other Medical Liability		
14. Unearned Premiums		
15. Affiliate Payables		
16. Aggregate write-ins for increase (decrease) in operating liabilities	0	0
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	12,096	276,841
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments		
23. Payments for Property, Plant, and Equipment		
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates		
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	0	0
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,096	276,841
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH		
37. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	12,096	276,841

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901.		
902.		
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601.		
1602.		
1603.		
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

TOTAL ENROLLMENT

[illegible]

1**NOTES TO FINANCIAL STATEMENTS**

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.
16.
17.
18.
19.
20.
21.
22.
23.
24.
25.
26.
27.
28.
29.
30.
31.
32.
33.
34.
35.
36.
37.
38.
39.
40.
41.
42.
43.
44.
45.
46.

- 47.
- 48.
- 49.
- 50.
- 51.
- 52.
- 53.
- 54.
- 55.
- 56.
- 57.
- 58.
- 59.

1	
OVERFLOW PAGE FOR WRITE-INS	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	
31.	
32.	
33.	
34.	
35.	
36.	
37.	
38.	
39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	
51.	
52.	
53.	
54.	
55.	
56.	
57.	
58.	
59.	

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

		1		2
1.	Net Equity		\$	1,700,751
2.	Add: Subordinated Debt		\$	
3.	Less: Receivables from officers, directors, and affiliates		\$	822,245
4.	Intangibles		\$	
5.	Tangible Net Equity (TNE)		\$	878,506
6.	Required Tangible Net Equity (See Below)		\$	354,758
7.	TNE Excess (Deficiency)		\$	523,748
		Full Service Plans		Specialized Plan
A.	Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
B. REVENUES:				
8.	2% of the first \$150 million of annualized premium revenues	\$	2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
	Plus		Plus	
9.	1% of annualized premium revenues in excess of \$150 million	\$	1% of annualized premium revenue in excess of \$7.5 million	\$ 55,113
10.	Total	\$ 0	Total	\$ 205,113
C. HEALTHCARE EXPENDITURES:				
11.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 354,758
	Plus		Plus	
12.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
	Plus		Plus	
13.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
14.	Total	\$ 0	Total	\$ 354,758
15.	Required "TNE" - Greater of "A" "B" or "C" \$		Required "TNE" - Greater of "A" "B" or "C" \$	354,758

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1
1. Net Equity	\$ 1,700,751
2. Add: Subordinated Debt	\$
3. Less: Receivables from officers, directors, and affiliates	\$
4. Intangibles	\$
5. Tangible Net Equity (TNE)	\$ 1,700,751
6. Required Tangible Net Equity (From Line 18 below)	\$ 0
7. TNE Excess (Deficiency)	\$ 1,700,751
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:	
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):	
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$
10. Add lines 8 and 9	\$ 0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):	
<u>PART A</u>	
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15)	\$ -
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$ -
13. Add lines 11 and 12	\$ 0

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Line 8 less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services

STATEMENT AS OF 12-31-2002 OF 933-0059 Dental Health Services